

Santa Barbara County Economic Forecast

Santa Barbara County is located along the central coast, west of Ventura County and south of San Luis Obispo County. The population now exceeds 416,000 people, and there are 188,430 wage and salary jobs located in the county. The per capita income in Santa Barbara County is \$35,350, which is higher than the California state average.

Economic growth in 2004 in Southern California was more impressive than the northern half of the state. In Santa Barbara County, a total of 4,450 wage and salary jobs were created last year, representing a growth rate of 2.4 percent. Non-farm employment grew 2.1 percent last year. The unemployment rate dropped to 3.8 percent, indicative of a very tight labor market.

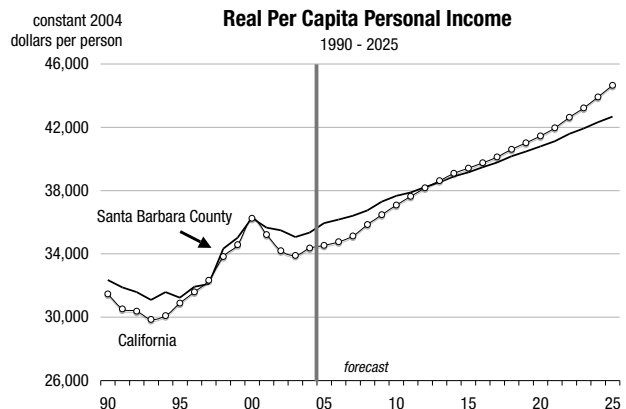
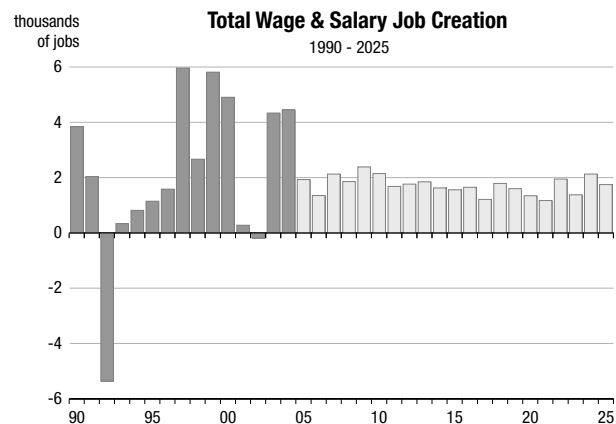
The principal employment clusters in Santa Barbara County are government, retail trade, and services. Last year the fastest growing sectors in the county were education and healthcare services, transportation, non-durable manufacturing, construction, and farm. Each of those sectors grew at a rate of 4 percent or higher in 2004. The north county region is growing faster than the south county area, due largely to the greater production of housing in the Santa Maria Valley.

The fastest growing city in the county is Santa Maria, which grew at a rate of 4 percent last year and is responsible for almost all of the growth in the county. The population of Santa Maria, now at 89,000, will soon surpass Santa Barbara as the largest city in the county. In Santa Barbara the population declined 0.1 percent last year.

Employment and population growth will remain modest in Santa Barbara County over the next five years. The northern end of the county will continue to dominate growth in the county. Population growth in the southern end of the county will continue to decline and new job creation will remain limited.

Forecast Highlights

- Non-farm job growth is expected to cool from 2.1 percent in 2004 to 1.0 percent in 2005. Job growth is forecast to average one percent per year over the next five years.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 0.2 percent per year over the next 5 years.
- The services sector is the growth engine of jobs in Santa Barbara County. Employment growth in professional and business services, education and healthcare services, and leisure services will account for over 54 percent of total job growth in the county over the next five years.
- Population growth will remain positive in the county, but at a slower rate than what was recorded over the past five



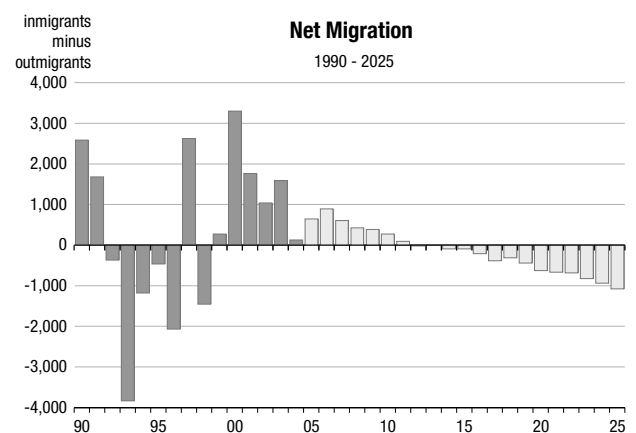
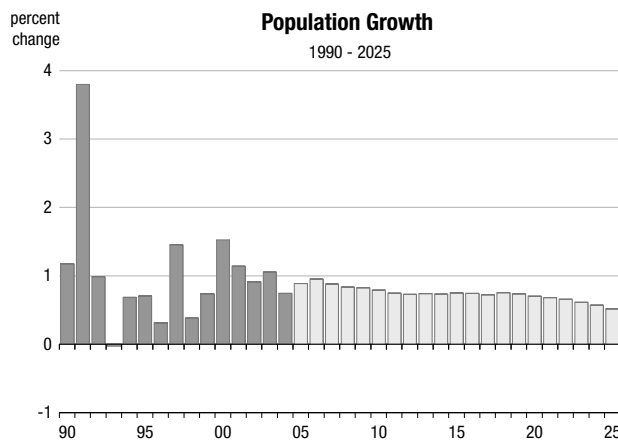
years. Annual growth in the 2005 to 2010 period averages 0.9 percent per year. The population will increase at faster rates in the Santa Maria Valley, while continuing to decline in the Santa Barbara-Goleta area.

- Net migration is expected to remain modest in 2005 at 650 persons. All of the migration flows to the north where affordable and available housing is present. Over the next five years net migration is forecast to decline to an average of 520 people entering the county per year.
- Real per capita incomes increase at a rate of 1.7 percent in 2005. An annual compound rate of growth of 0.9 percent is forecast over the next 5 years.
- Industrial production will increase by 1.1 percent in 2005. Over the next five years, the growth rate of industrial production will average 3.2 percent per year. Wine grapes, broccoli, and strawberries remain important agricultural crops in the county over the foreseeable future.

Santa Barbara County Economic Forecast

1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	383,700	-462	308.3	133.1	792	\$3.3	\$9.6	\$31,237	1.6	673.5	1.94	6.7
1996	384,900	-2,064	311.3	133.6	775	\$3.5	\$10.0	\$31,921	1.7	714.1	2.03	5.7
1997	390,500	2,625	312.3	134.9	903	\$3.8	\$10.4	\$32,090	1.7	755.9	2.24	5.0
1998	392,000	-1,449	318.0	135.3	1,026	\$4.0	\$11.3	\$34,325	1.4	728.5	2.10	4.4
1999	394,900	278	323.7	136.1	915	\$4.4	\$11.9	\$35,026	2.3	764.3	2.22	3.9
2000	400,929	3,304	336.0	136.6	924	\$4.8	\$12.9	\$36,267	3.3	827.8	2.60	3.7
2001	405,510	1,769	347.0	137.5	1,113	\$5.0	\$13.3	\$35,660	3.4	772.6	2.19	3.5
2002	409,212	1,041	355.0	138.4	1,732	\$5.1	\$13.7	\$35,497	2.8	818.1	1.98	4.2
2003	413,544	1,590	353.1	139.9	1,617	\$5.2	\$14.0	\$35,069	2.6	886.7	2.18	4.0
2004	416,625	130	357.8	141.4	1,430	\$5.5	\$14.7	\$35,349	3.3	846.3	2.39	3.8
2005	420,333	646	364.9	142.3	1,433	\$5.7	\$15.6	\$35,949	2.7	838.0	2.42	3.7
2006	424,338	895	370.8	143.6	1,444	\$6.0	\$16.2	\$36,172	2.5	833.1	2.46	3.8
2007	428,077	610	376.1	144.9	1,357	\$6.2	\$16.9	\$36,408	2.4	835.4	2.56	3.8
2008	431,657	426	380.9	146.0	1,280	\$6.5	\$17.6	\$36,751	2.3	834.1	2.65	3.8
2009	435,222	390	385.6	147.2	1,265	\$6.8	\$18.4	\$37,307	2.2	840.3	2.74	3.9
2010	438,679	274	390.0	148.3	1,236	\$7.1	\$19.2	\$37,667	2.4	849.0	2.83	3.9
2011	441,965	96	394.3	149.3	1,181	\$7.4	\$19.9	\$37,878	2.5	853.7	2.92	3.9
2012	445,192	-16	398.5	150.4	1,149	\$7.7	\$20.8	\$38,215	2.6	859.9	3.00	3.8
2013	448,493	-7	402.8	151.4	1,137	\$8.0	\$21.6	\$38,515	2.7	868.5	3.07	3.6
2014	451,788	-88	407.2	152.4	1,113	\$8.2	\$22.6	\$38,899	2.7	876.1	3.14	3.5
2015	455,178	-89	411.4	153.3	1,094	\$8.5	\$23.6	\$39,157	2.8	884.3	3.20	3.5
2016	458,574	-207	415.2	154.3	1,084	\$8.8	\$24.6	\$39,475	2.8	892.9	3.25	3.5
2017	461,902	-381	418.4	155.2	1,042	\$9.1	\$25.6	\$39,772	2.6	896.2	3.33	3.6
2018	465,390	-309	421.2	156.1	1,056	\$9.4	\$26.7	\$40,170	2.5	901.9	3.45	3.7
2019	468,819	-438	423.3	157.1	1,048	\$9.6	\$27.8	\$40,466	2.5	908.2	3.56	3.7
2020	472,114	-622	424.8	158.0	1,019	\$9.9	\$28.9	\$40,802	2.4	914.2	3.64	3.6
2021	475,340	-662	425.4	158.9	989	\$10.2	\$30.1	\$41,125	2.4	915.5	3.73	3.6
2022	478,476	-680	425.8	159.7	1,019	\$10.5	\$31.4	\$41,588	2.4	920.8	3.84	3.6
2023	481,411	-821	425.9	160.6	997	\$10.7	\$32.6	\$41,931	2.5	921.6	3.98	3.6
2024	484,166	-933	426.1	161.5	1,026	\$11.1	\$33.9	\$42,328	2.5	927.9	4.13	3.5
2025	486,680	-1,075	426.3	162.4	1,015	\$11.4	\$35.2	\$42,676	2.4	933.8	4.26	3.5



Santa Barbara County Employment Forecast

1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
1995	158.6	14.1	5.5	14.2	3.77	22.1	7.4	17.3	4.07	16.3	17.8	29.7
1996	160.2	14.6	6.1	14.8	3.78	21.7	7.0	18.5	4.06	15.9	17.7	29.7
1997	166.2	14.7	7.1	15.7	3.78	23.1	7.5	17.2	4.18	16.4	19.1	30.9
1998	168.8	13.8	6.9	15.7	3.26	23.9	8.0	17.5	4.43	17.2	19.6	31.8
1999	174.6	15.3	8.0	15.3	2.90	25.6	8.1	18.1	4.10	18.0	20.2	32.4
2000	179.5	14.9	8.1	15.9	2.88	26.1	8.4	20.2	4.25	18.4	20.8	32.8
2001	179.8	13.8	8.4	15.1	2.96	25.5	8.8	19.6	4.50	18.6	21.0	34.5
2002	179.6	14.2	8.0	13.4	2.81	25.1	8.6	20.6	4.12	19.3	21.0	35.8
2003	184.0	18.5	8.4	13.6	2.92	24.2	8.4	21.0	4.09	19.3	21.4	35.6
2004	188.4	19.5	9.2	14.3	3.06	24.5	8.4	21.4	4.15	20.1	21.5	35.7
2005	190.4	19.7	9.4	14.3	3.07	24.7	8.5	21.5	4.16	20.3	22.0	36.1
2006	191.7	19.8	9.4	14.5	3.08	24.8	8.6	21.5	4.18	20.6	22.2	36.4
2007	193.8	20.2	9.6	14.6	3.09	25.0	8.6	21.9	4.21	20.9	22.6	36.7
2008	195.7	20.0	9.6	14.7	3.09	25.2	8.6	22.5	4.24	21.2	23.2	36.9
2009	198.1	20.5	9.7	14.7	3.10	25.6	8.7	22.9	4.26	21.5	23.5	37.1
2010	200.2	20.9	9.7	14.8	3.10	25.9	8.7	23.4	4.28	21.7	23.9	37.2
2011	201.9	20.8	9.7	15.0	3.10	26.1	8.9	23.9	4.30	21.9	24.3	37.3
2012	203.7	21.1	9.8	15.2	3.10	26.3	9.0	24.2	4.32	22.1	24.6	37.3
2013	205.5	21.4	9.8	15.3	3.10	26.6	9.0	24.7	4.35	22.3	24.9	37.3
2014	207.2	21.6	9.8	15.3	3.10	26.8	9.1	25.1	4.37	22.4	25.2	37.3
2015	208.7	21.8	9.8	15.3	3.10	26.9	9.2	25.5	4.39	22.5	25.5	37.3
2016	210.4	22.1	9.9	15.4	3.10	27.2	9.3	25.9	4.41	22.6	25.8	37.3
2017	211.6	21.9	9.9	15.5	3.10	27.4	9.4	26.2	4.42	22.7	26.1	37.3
2018	213.4	22.2	10.0	15.7	3.10	27.6	9.5	26.4	4.44	22.8	26.4	37.4
2019	215.0	22.4	10.0	15.8	3.10	27.8	9.6	26.5	4.46	23.0	26.6	37.4
2020	216.3	22.5	10.0	15.9	3.10	28.0	9.6	26.7	4.46	23.2	26.8	37.5
2021	217.5	22.3	10.0	16.0	3.10	28.3	9.7	26.8	4.47	23.4	26.9	37.7
2022	219.4	22.7	10.0	16.2	3.10	28.6	9.8	26.9	4.48	23.6	27.1	37.8
2023	220.8	22.5	10.1	16.4	3.10	28.8	9.9	26.9	4.49	23.9	27.3	38.0
2024	223.0	22.9	10.1	16.7	3.09	29.1	10.0	26.9	4.50	24.1	27.4	38.2
2025	224.7	23.1	10.2	17.0	3.09	29.4	10.1	26.8	4.50	24.4	27.6	38.4

